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BellSouth Telecommunications, Inc.  
Suite 2104  
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Nashville, TN 37201-3300

REGULATORY AUTH.

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Charles L. Howorth, Jr.  
Regulatory Vice President

615 214-6520  
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OFFICE OF THE  
EXECUTIVE SECRETARY

October 3, 2000

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: BellSouth Telecommunications, Inc.'s Tariff to Reduce Grouping Rates in Rate Group 5  
and Implement a 3% Late Payment Charge  
Docket 00-00041

Dear Mr. Waddell:

This is in response to your letter dated September 29, 2000. Based on our investigation into this matter, BellSouth has maintained full compliance with all actions by the TRA in this Docket.

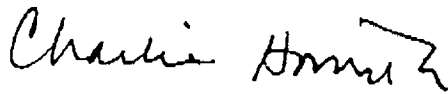
Some background is necessary to put your letter and this response in context. This tariff was approved by the TRA at the July 11, 2000 Conference as confirmed by the TRA's letter to BellSouth dated July 17, 2000. BellSouth's tariff clearly specified that the Company would begin applying the Late Payment Charge and the Grouping Rate reductions with the normal billing cycles starting on October 1, 2000. In order to notify customers that this Late Payment charge would apply as of October 1, 2000, BellSouth began placing a warning message on customer's bills issued on or after September 1, 2000, and that message informed them that a Late Payment charge would apply on any amount owed as of the next billing date (i.e., on or after October 1, 2000, consistent with our approved tariff), and the message included the new amount that would be due at that time. The "Total Amount Due" on the customer's bill never included the Late Payment Charge. The tariff was clearly in effect during the time this message was placed on customers' bills, and we took appropriate action to notify customers about this charge. Consistent with the TRA's actions on September 26, 2000, however, BellSouth has removed this notice from all bills issued after that date, pending further action by the TRA. No late charge will be assessed until such action.

PROCESSED  
10/3/00

With reference to the situation described in Docket 99-00574, that tariff was never approved. A similar message did appear on customers' bills over a period of approximately two weeks during September 1999. However, BellSouth agreed that those messages were in error and promptly removed them when it was brought to our attention.

We trust this addresses your concerns. Please contact me if there are any additional questions.

Yours truly,

A handwritten signature in cursive script, appearing to read "Charlie Huns".

cc: Cynthia E. Kinser  
Consumer Advocate Division